GOVERNMENT OF MYSORE

LAW AND PARLIAMENTARY AFFAIRS SECRETARIAT

NOTIFICATION

No. LAW 76 LCR 1973, Bangalore dated 28th September, 1973

The Governor of Mysore is pleased to order that the Income-Tax (Third Amendment) Rules, 1973 which has been published as S.O. 369(E) in the Gazette of India, Extraordinary Part II, Section 3, sub-section (ii), dated the 2nd July 1973 be republished in the *Mysore Gazette* for general information.

H. SUBBA RAO,
Under Secretary to Government,
Department of Law and Parliamentary Affairs.

GOVERNMENT OF INDIA

CENTRAL BOARD OF DIRECT TAXES

NOTIFICATION

INCOME-TAX

New Delhi, the 2nd July 1973

S.O. 369(E).—In exercise of the powers conferred by section 295 of the Income tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 1962 namely :—

1. (1) These rules may be called the Income-tax (Thrid Amendment) Rules, 1973,

(2) Save as otherwise provided in these rules, they shall come into force on the 15th day of July, 1973.

2. Rule 18 of the Income-tax Rules, 1962 (hereinafter referred to as the principal rules,) shall be omitted with effect from the 1st day of April, 1974.

3. In rule 28 of the principal rules, after sub-rule (IC), the following sub-rule shall be inserted, namely :—

"(ID) An application by a person for a certificate under clause (a) of sub-section (1) of section 197 in respect of income by way of insurance commission shall be made in Form No. 13D.

Explanation.—In this sub-rule and in rules 30, 31 and 37, "insurance commission" means any remuneration or reward, whether by way of commission or otherwise, for soliciting or procuring insurance business (including business relating to the continuance, renewal or revival of policies of insurance).".

4. In rule 30 of the principal rules,—

(a) in sub-rule (1),—

(i) in the opening paragraph, for the word, figures and letter "section 194C", the words, figures and letters "section 194C, section 194D" shall be substituted ;

(ii) in clause (b),—

(1) in sub-clause (i)—

(A) in the opening paragraph, for the words, figures and letters "section 194A and section 194C", the words, figures and letters "section 194A, section 194C and section 194D." shall be substituted ;

(B) in item (1), for the word, figures and letter "section 194C", the words, figures and letters

" section 194C or the income by way of insurance commission referred to in section 194D" shall be substituted;

(2) in clause (a) of the proviso, for the words "Interest on Securities" the words "Interest on Securities" or any income by way of insurance commission' shall be substituted;

(b) in sub-rule (3), for the figures and letter "194C", the figures and letters "194C, 194D" shall be substituted.

5. In rule 31 of the principal rules,—

(a) after sub-rule (4C), the following sub-rule shall be inserted, namely:—

"(4D) The certificate of deduction of tax to be furnished under section 203 by any person responsible for paying any income by way of insurance commission shall be in Form No. 19D.";

(b) in sub-rule (5), for the brackets, figure and letter "(4C)", the brackets, figure and letter "(4D)" shall be substituted.

6. In rule 37 of the principal rules,—

(a) in sub-rule (2C), the following proviso shall be inserted at the end, namely:—

"provided that in respect of tax deducted in cases to which item (1) of sub-clause (1) of clause (b) of sub-rule (1) of rule 30 applies, the particulars shall be furnished in the statement relating to the quarter next following the quarter in which the deduction is made;";

(b) after sub-rule (2C), the following sub-rule shall be inserted, namely:—

"(2D) The person making deduction of tax in accordance with section 194D from income by way of

insurance commission shall send to the Income-tax Officer having jurisdiction to assess him—

(*a*) a certificate in Form No. 26D quarterly on July 15th, October 15th, January 15th and April 15th in respect of the deduction made by him during the immediately preceding quarter :

Provided that in respect of tax deducted in cases to which item (1) of sub-clause (i) of clause (*b*) of sub-rule (1) of rule 30 applies, the particular shall be furnished in the certificate relating to the quarter next following the quarter in which the deduction is made;

(*b*) a statement in Form No. 26E on or before the 30th day of June in each year in respect of the deduction made by him during the immediately preceding financial year ;

(*c*) a statement in Form No. 26F on or before 30th day of June in each year in respect of the insurance commission credited or paid during the immediately preceding financial year without deduction of tax."

7. In Appendix II to the principal rules,—

(a) in Form No. 13A, for the paragraph beginning with the words "I, therefore" and ending with the words "at the time of payment of such interest.", the following paragraph shall be substituted, namely :—

. . . . . .

"I, therefore, request that a certificate may be issued to the person responsible for paying the interest on the said sums authorising him *not to deduct income-tax
to deduct income-tax at the rate of—per cent at the time of credit of such interest to my

account or, as the case may be, payment thereof to me.";

(*b*) in Form No. 13C, in paragraph 2, for the words, brackets and letter "at the time of payment of such sum(s)", the words, brackets and letter "at the time of credit of such sum(s) to my account or, as the case may be, payment thereof to me" shall be substituted;

(*c*) after Form No. 13C, the following Form shall be inserted, namelly: —

"FORM No. 13D

[*See* rule 28 (ID)]

Application by a person for a certificate under section 197(1) (a) of the Income-tax Act, 1961 relating to deduction of income-tax from income by way of insurance commission.

To

The Income-tax Officer,

.....

.....

Sir,

I ..... of .....

(Name) (Address)

do hereby declare that my total income (including income by way of insurance commission, particulars of which are given in the Schedule hereto) computed in accordance with the provisions of the Income-tax Act, 1961 for the previous

year relevant to the assessment year 19..... 19.....
*was less than the minimum liable to income-tax

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amounted to Rs.....
and I have no reason to expect that my total income for the previous years relevant to the three assessment years next following will increase substantially.

2. I, therefore, request that a certificate may be issued to the person responsible for paying the income by way of insurance commission authorising him

*not to deduct income-tax

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to deduct income-tax at the rate of.....per cent.

at the time of credit of such income to my account or, as the case may be, payment thereof to me.

3. I hereby declare that what is stated in this application is correct.

Place.....

Signature.....

Address .....

Permanent

Account Number.....

Date.....

*Score out whichever is not applicable."

SCHEDULE

Sl. No.	Name and address of person responsible for paying insurance commis-ion	Amount of insurance commission
1	2	3

(*d*) after Form No. 19C, the following Form shall be inserted, namely :—

"FORM No. 19D

[*See* rule 31(4D)]

Certificate of deduction of tax from insurance commission under section 203 of the Income-tax Act, 1961.

To

.....

.....

(Name and address of the payee)

Sir,

*I/We ..... (Name) hereby certify that a sum of Rs..... being income-tax at the rate of..... per cent has been deducted from Rs. ..... being the amount of insurance commission *credited to your

account/paid to you on .....The amount of tax deducted
*has been (date)
at source ~~will be~~ paid to the credit of te Central Govern-
ment *on/by .....
(date)

Place.....

.....

Signature of the person responsible for deducting and paying tax.

Date.....

Address.....
Permanent Account Number.....

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*Score out whichever is not applicable.";

(*e*) after Form No. 26C, the following Forms shall be inserted, namely :—

"FORM No. 26D

[*See* rule 37 (2D) (a)]

Certificate of deduction of tax at source from income by way of insurance commission for the quarter ending on .....

Name of the person responsible for paying any income by way of insurance commission .....

Address .....

.....

Permanent Account Number .....

Certified that an amount of Rs. ..... has been deducted under section 194D of the Income-tax Act, 1961 from insurance commission credited to the account of payee(s)/paid during the quarter ending on ..... and that the said amount was paid over to the credit of the Central Government *vide* chalan No ..... dated ..... in the Treasury/Sub-Treasury/State Bank of India/Reserve Bank of India, at .....

Place..... .....

Date .... Signature of the person responsible for deducting and paying the tax.

FORM No. 26E

[*See* rule 37 (2D)(b)]

Statement of deduction of tax under Section 194D of the Income-tax Act, 1961 from insurance commission.

1. Name, address and Permanent Account Number of the person responsible for paying any income by way of insurance commission .....

2. Financial year during which insurance commission is credited/paid .....

3. Details of insurance commission credited paid during the financial year mentioned against item 2 and of tax deducted at source .....

Sl. No.	Name and address of the receipient	Amount of insurance commission credited/ paid	Amount of tax deducted	Remarks
1	2	3	4	5
	Total			

I certify that—

(i) all the particulars furnished above are correct; and

(ii) the amount of tax shown in column 4 has been paid over to the credit of the Central Government.

Place .....

.....

Date ..... Signature of the person responsible for deducting and paying the tax.

FORM No. 26F

[*See* rule 37 (2D)(c)]

Statement of insurance commission credited/paid during the financial year 19.. 19.. without deduction of tax.

Name, address and Permanent Account Number of the person responsible for paying any income by way of insurance commission .....

Sl. No.	Name and address of the receipient	Amount of insurance commission credited/ paid	Date(s) of credit of payment	If payee has furnished a certificate granted by the Income tax Officer under section 197 (1) a) of the In-come tax Act, give name and designation of the Income-tax Officer issuing the certificate
1	2	3	4	5

I certify that—

(i) the above statement contains a complete list of every person in whose account insurance commission was credited or to whom such insurance commission was paid during the financial year 19..19.. without deduction of tax;

(ii) all the particulars furnished above are correct.

Place.....

Date.....

.....

Signature of the person responsible for paying insurance commission."

(f) in the Enclosure to Form No. 28, for the words "the amount of capital gains", the words, brackets and figures "the amount of capital gains and income referred to sub-clause (ix) of clause (24) of section 2 of the Income-tax Act, 1961" shall be substituted;

(g) in Form No. 29,—

(i) in the opening portion, after the paragraph beginning with the words "in the case of a firm", and ending with the brackets and words "(Date of application or declaration should be given)", the following paragraph shall be inserted, namely:—

"*In the case of a Hindu undivided family whether the Hindu undivided family has at least one member whose total income of the previous year is likely to exceed Rs. 5,000";

(ii) Items 2 to 10 shall be re-numbered respectively as items 3 to 11 and before item 3 as so re-numbered, the following item shall be inserted, namely:—

"2. @ Estimated net agricultural income .....";

(iii) In the Notes occurring at the end, after item 2, the following terms shall be inserted, namely:—

"3. *If the reply to this question is in the negative, please attach declaration(s) to this effect from all members of the Hindu undivided family.

4. @Item 2 to be filled in only by individuals. Hindu undivided families, unregistered firms, other associations of persons or bodies of individuals), whether incorporated or not,

referred to in sub-clause (v) of clause (31) of Section 2 of the Income-tax Act, 1961, and artificial juridical persons referred to in sub-clause (vii) of the said clause (31).

5. In this Form, "net agricultural income" shall have the meaning assigned to it in the relevant Finance Act."

[No. 402/F. No. 142(16)/73-TPL]

O. P. BHARDWAJ,
Secretary, Central Board of Direct Taxes.

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